GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1944
ANSWERED ON:26.07.2002
FERA VIOLATION
CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are contemplating to probe FERAviolation involving 4000 crores against the corporates and trading firms;

(b) if so, the names of the corporate/firms so far identified for the violation;

(c) the action taken/proposed to be taken by the Government against such corporate/firms; and

(d) the steps taken by the Government to check such violation in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) The Foreign Exchange Regulation Act (FERA), 1973 was repealedand replaced by the Foreign Exchange Management Act (FEMA), 1999 with effect from 1st June 2000.However, by virtue of the provisions of sections 49 (3) and 49 (4) of the FEMA, cases registered under the FERA up to 31st May 2000 were processed in accordance with the relevant provisions of FERA up to 31st May 2002. During the period of operation of the FERA, 1973, no violation of its provisions involving an amount of Rs. 4000 crore by corporates and trading firms has come to the notice of the Directorate of Enforcement.

(b), (c) & (d) Do not arise.